

***Teachers' Retirement System***  
***Quarterly Investment Information Update***  
***June 30, 2016***

TRS invests the members' funds in several diverse classes of assets, including equities, bonds, real estate, and alternative investments. This diversification helps us earn the highest possible long-term rate of return within appropriate risk levels. In turn, this enables us to pay guaranteed benefits to members and their beneficiaries at the lowest possible cost to participating employers and the taxpayers that fund them.

Generally, our liabilities will not be paid for as many as 30-40 years. Therefore, as a long-term investor, our holdings can withstand some short-term volatility. The System's long-term investment objective is to achieve an annualized rate of return of 7.5%. For the twenty year period ended June 30, 2016 the System's annualized return was 6.9%.

The TRS Board of Trustees regularly reviews asset allocations and adjusts them as necessary. The System's current asset allocation as of June 30, 2016 is reflected in the following schedule:

<b>Asset Class</b>	<b>Percent of Assets in Category</b>
Domestic and International Equities	62.6
Fixed Income	16.8
Additional Categories	8.0
Real Estate	5.5
Alternative Investments	5.4
Cash Equivalents	1.7

TRS updates this information regularly after the end of each quarter.